

Economic Development Incentives

Ad-Valorem Tax Abatement Program

Tax abatements may be offered for improvements to real property and/or for business personal property, but do not apply to land. Tax abatements for improvements to real property may be offered to an applicant that constructs a new or expanded facility to house the applicable project. The tax abatement will apply to the taxable value of the new or expanded improvements as reported on the annual year-end statement issued by the Kendall County Appraisal District. Tax abatements for business personal property may be offered to an applicant that purchases or long-term leases existing or new facilities, and will apply to the taxable value of the business personal property added to the facility after the execution of the tax abatement agreement. In order to qualify for the city tax abatement, the project must meet all the criteria set forth in the City's Guidelines for Tax Abatements.

Property Tax Relief/Repayment

In those instances where a new development or reinvestment does not meet the criteria set forth in the City of Boerne Tax Abatement Program, the City of Boerne, through a Chapter 380 contract/agreement, may return to the developer all or a portion of the property taxes that are paid on a development. Such repayment shall not commence until the calendar year following the completion of the development (once the certificate of occupancy has been issued) and shall continue until all conditions of the Chapter 380 contract have been met. Said repayment shall cease if there is a default in the Chapter 380 contract by the developer/applicant.

The repayment or abatement of any property taxes shall not occur until such time as the developer applicant has remitted the property taxes to the City of Boerne in full.

Sales Tax Rebates

The City collects 1.5% sales tax on any taxable retail sale made in the city limits and the funds are allocated as follows: 1% to the city's general fund; 0.5% to property tax stabilization. A applicant may apply for a rebate of up to the full 1% of the city's local option sales tax collected by the Grantee's business.

The City may pay any rebates based upon the confidential sales report received from the State of Texas Comptroller's Office after receipt of actual sales taxes by the City. The City shall be solely responsible for determining the amount of the rebate based upon the reports from the Comptroller's Office.

Building Permit, Development, Connection and Impact Fees

The City may, on a case by case basis, approve a waiver, deferral, grant or rebate of all or a portion of development related fees, including but not necessarily limited to, building permit fees, development fees, connection fees and impact fees.

Cost Participation in Infrastructure

The City may agree to participate in the cost of the extension, construction, or reconstruction of public infrastructure necessary for the development of a project. Participation by the City is considered on a case-by-case basis and shall be limited to infrastructure improvements within the City limits and utility service areas. Analysis of the proposed projects and potential funding will be done using a return on investment (ROI) approach which takes into consideration all potential increases in revenue sources for the City including ad-valorem, sales and hotel – motel taxes, and utility service sales. Projects for consideration will have a ROI of 5 years or less.

Hotel/Motel Occupancy Tax

The City is committed to attracting lodging and conference center space to the community. A 6% hotel occupancy tax is levied by the State of Texas and the City levies a 6% hotel occupancy tax, for a total of 12%. These taxes may be used for purposes as allowed by law.

Public Improvement District (PID)

The City may agree to the formation of a PID in order to create a funding mechanism for specific improvements in an area of focus for development. A Public Improvement District is a defined geographical area established under Chapter 372 of the Texas Local Code to finance the cost of specific public infrastructure within the designated area. These improvements are paid for by assessments against the property owners within the area and overseen by the City Council.

Neighborhood Empowerment Zone

A Neighborhood Empowerment Zone is a tool for cities that seek to promote at least one of the following: (1) the creation of affordable housing, including manufactured housing, in the zone; (2) an increase in economic development in the zone; (3) an increase in the quality of social services, education, or public safety provided to residents in the zone; and/or (4) the rehabilitation of affordable housing in the zone. Tax Code § 378.002.

A city may offer any and all of the following incentives within a Neighborhood Empowerment Zone: (1) waive building, inspection, or impact fees; (2) enter into sales tax rebate agreements lasting up to ten years; (3) enter into property tax abatement agreements lasting up to ten years; and (4) set baseline performance standards to encourage alternative building materials that address environmental or energy consumption concerns. Tax Code § 378.004.

Electric Utility Rate Incentives

Electric utility rate incentives may be offered to developments/projects that qualify as determined by ROI analysis and these Guidelines. The amount of discount to be offered, up to a maximum of 25% of certain electrical distribution charges, will be determined based on an analysis of the overall benefits of a project on a case by case basis. Analysis of the proposed project and potential discount level will be done using an ROI approach which takes into consideration all potential increases in revenue sources for the city including ad-valorem, sales and Hotel–Motel Occupancy Taxes, and utility service income of all types. Projects for consideration will have an ROI of 5 years or less.

If offered, the discount percentage will be applied as a credit to the monthly utility bill for up to a maximum of 60 billings and will apply only to the electric utility Customer Charge, Demand Charges and Energy Charges as denoted in the City's current ordinance (as amended) establishing rates for electric service. The discount percentage will not apply to any power cost recovery elements of the bill.

Freeport Exemption

The City may grant a Freeport exemption where appropriate. A Freeport Exemption applies to certain types of tangible personal property that are: acquired in or imported into Texas to be forwarded out of state; detained in Texas for assembly, storing, manufacturing, processing, or for fabricating purposes by the business that acquired or imported it; transported out of state within 175 days after the date the business acquired or imported it into Texas.

Fast Track Permitting

At the request of an applicant, the timetable normally required for applicable permit processing can be shortened if the needs of the project justify the reduced time frame.

Historical District Improvement Matching Grant Program

This program is part of the City's ongoing effort to revitalize and promote the City of Boerne Historical District. The Program offers matching grants for the renovation and enhancement of building façades on eligible properties in the City of Boerne Historical District. Eligible properties can receive up to 50% reimbursement of the renovation and enhancement project up to a maximum payment by the City of \$5,000.

State Sponsored Programs

The City of Boerne, in conjunction with the Kendall County Economic Development Corporation, may provide guidance and assistance as appropriate for development initiatives which could potentially qualify under the State sponsored programs set forth in this Section.

- State of Texas Enterprise Zone Program - Map

These State designated projects are eligible to apply for state sales tax and use refunds on qualified expenditures. The level and amount of refund is related to the capital investment and jobs created at the qualified business site. Enterprise Zone Projects typically benefit from locating in these zones, or by hiring at least 35% of their employees from within these zones. For additional information on the Texas Enterprise Zone Program, call (512) 936-0100.

- Texas Capital Fund

The Texas Capital Fund provides infrastructure grants and or zero interest real estate/construction loans to assist companies in the creation of new permanent jobs or retention of existing permanent jobs, primarily for low and moderate income (LMI) persons.

- Texas Enterprise Fund

The Texas Enterprise Fund is the largest "deal-closing" fund of its kind in the nation. It continues to attract businesses and jobs to Texas. The TEF can be used for a variety of economic development projects, including infrastructure development, community development, job training programs and business incentives. For more information on the Texas Enterprise Fund, call (512) 936-0101.

- Texas Skills Development Fund

The Skills Development Fund Program assists businesses and trade unions by financing the design and implementation of customized job training projects. This fund successfully merges business needs and local customized training opportunities into a winning formula to increase the skills level and wages of the Texas workforce. For more information contact (512) 463-8844, or [email](#).

- Emerging Technology Fund

The Emerging Technology Fund (ETF) was created to provide Texas with an unparalleled advantage in the research, development, and commercialization of emerging technologies. For comprehensive information about the Emerging Technology Fund, [click here](#).

- State Loan Programs

The Texas Economic Development Bank provides flexible funding and oversight of finance and tax incentive programs targeting three key audiences: Texas businesses, Texas communities and Texas lending institutions. The Bank's task is to provide globally competitive, cost effective state incentives to expand businesses operating in the state and to businesses relocating to Texas. For information on a Loan Assistance Program, please call (512) 936-0100.

- Leverage Fund

Introduced in 1992, the Texas Leverage Fund (TLF) provides an additional source of financing to communities that have adopted an economic development sales tax. Communities may leverage future sales tax revenues to support job retention or creation.

- Product Development Fund

The Texas Product Development Fund provides financing to aid in the development, production and commercialization of new or improved products within the state. Products appropriate for the Fund are inventions, devices, techniques, or processes that have advanced beyond the theoretical stage and are ready for immediate commercial application.

- Small Business Fund

The Texas Small Business Fund provides financing to foster and stimulate the development of small businesses in Texas. Preference for funding will be given to the state's defined industry clusters within emerging technology fields including semiconductors; nanotechnology; biotechnology and biomedicine; renewable energy; agriculture and aerospace.

- Industrial Revenue Bond Program

The State of Texas Industrial Revenue Bond Program (IRB) is designed to provide tax-exempt or taxable financing for eligible industrial or manufacturing projects as defined in the Development Corporation Act of 1979 (Act). The Act allows cities, counties, conservation and reclamation districts to form non-profit industrial development corporations (IDCs) or authorities on their behalf. The purpose is to provide bonds for projects within their jurisdictions.

- Industry Development Loan Program

The Texas Industry Development (TID) Loan Program provides capital to Texas communities at favorable market rates. The main objective of TID is to support projects that will stimulate the creation of jobs. TID loans can be used for a variety of purposes including community infrastructure development. TID financing is available for loans above \$5 million.

